

Claims

We claim:

- 5 1) In a trading environment comprising buy side traders and securities brokers, a computer process capable of preventing securities brokers from receiving information irrelevant to a commission payment for a securities transaction, the process comprising:
- 10 means for providing an overview of commission payments for a predetermined time period;
- means for providing details of step-out payments for the predetermined period;
- means for adjusting step-in amounts and frequencies;
- 15 means for providing notification that a commission payment has been stepped out and is capable of being credited;
- means for automatically suggesting and performing step-ins and step-outs; and
- 20 means for assessing the step-outs and step-ins against a predetermined budget.
- 2) The process of claim 1 wherein said overview means comprises:
- 25 means for storing all commission payments to a plurality of registered brokers;
- means for storing the commission for a particular order; and
- means for storing individual step-outs for a
- 30 particular executing broker as associated with a particular order.

3) The process of claim 2 wherein said means for storing a plurality of commission payments to a plurality of registered broker comprises:

5 a means for storing the brokerage firms registered with the system;

means for storing the total amount of commission earned by a broker from executing orders within a defined time period;

10 means for storing the total amount that has been stepped in to each research broker using the anonymous commission service for the trading period;

means for storing the amount stepped in to the research broker and stepped out from the executing broker, respectively, during the predefined time period; and

15 means for storing the net commission payable to the brokers.

4) The process of claim 2 wherein said means for storing the commission for a particular order comprises:

20 means for identifying the stock chosen by the trader for a particular order;

means for indicating the number of shares which have been executed during the life of the order;

25 means for indicating the quantity of shares that are scheduled to be "stepped out" from a particular order; and

means for indicating the commission rate per share of stock.

5) The process of claim 2 wherein said means for storing
30 individual step-outs for a particular executing broker is associated with a particular order comprising:

means for identifying a particular executing broker
selected for a step-out;

means for identifying the number of shares being stepped
out; and

5 means for indicating the amount of commission taken from
the broker from the step-out.

6) The system of claim 1 wherein said means for providing
details of step-out payments for the predetermined period
10 comprises:

means for storing payments stepped out, both
anonymously and through traditional methods, from
particular orders; and

15 means for listing a plurality of step-outs, from a
plurality of orders.

7) The system of claim 6 wherein said means for storing
payments stepped out, both anonymously and through
traditional methods, from particular orders comprises:

20 means for indicating the execution quality of the
broker;

the system has means for listing the executing broker
for the order, from which payments are stepped out;

means for listing the stock for the order;

25 means for storing the number of shares executed for
the order;

means for storing the quantity of shares being stepped
out from the order; and

30 means for storing the rate per share of commission for
the step-out.

8) The system of claim 6 wherein said means for listing a plurality of step-outs, from a plurality of orders, comprises:

means for listing the executing broker;

5 means for listing the research broker;

means for storing the stock ticker;

means for storing the quantity to be stepped out from the executing broker; and

means for storing the dollar amount stepped out.

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9) The system of claim 1 wherein said means for adjusting step-in amounts and frequencies comprises:

means for listing registered brokers;

15 means for indicating the default commission rate for a selected broker;

means for programming commission recapture;

means for allowing step-outs against an executing broker to be limited on both a long and short term basis;

20 means for choosing a payment method for paying a research broker;

means for programming predefined intervals for paying research brokers; and

means for identifying the client for whom the trader is employed.

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10) The system of claim 9, where said means for programming predefined intervals for paying research brokers is capable of being programmed to pay the research brokers immediately upon a clearing of a trade, or at a predefined time or
30 financial interval.

11) The system of claim 9, where said means for choosing a payment method for paying a research broker is capable of being programmed to execute a payment through commissions, traditional step-ins, anonymous step-ins, or hard-dollar
5 payments.

12) The system of claim 9 wherein said means for programming soft-dollar arrangements is capable of being programmed for no credit, or as a ratio of commission, or
10 as a fixed base of commission.

13) The system of claim 1 where said means for providing notification that a commission payment has been stepped out and is capable of being credited comprises:

15 means for programming the desired notification frequency; and

means for providing notification to the research broker.

20 14) The system of claim 13 wherein said means for programming the desired notification frequency is capable of being programmed to provide notification when payments are made, when commissions have accrued, at a predefined time or financial interval, or when the commission account
25 accrues multiples of a chosen dollar amount.

15) The system of claim 1 wherein said means for automatically suggesting and performing step-ins and step-outs comprises:

30 means for listing orders;

means for storing the preferences which govern the automatic step out;

means for listing an automatic step-in; and
means for storing the preferences which govern the
automatic step in.

5 16) The system of claim 15 wherein said means for listing
orders comprises:

means for indicating the executing broker from which
shares are to be stepped out;

means for storing the stock ticker;

10 means for storing the quantity of stock ordered;

means for listing the step-out quantity; and

means for storing the rate of the commission on the
shares of the order.

15 17) The system of claim 16 wherein said means for
indicating the preferences which govern the automatic step
out comprise a plurality of adjustable controls, said
adjustable controls capable of adjusting the degree to
which a larger or smaller number of stepouts are suggested,
20 the degree to which stepout quantity is made larger or
smaller, the degree to which relatively larger or smaller
orders should be chosen for step-outs, the degree to which
orders in favored stocks should be chosen for step-outs,
and the degree to which blocked stocks should be avoided
25 for step-outs. Said means further comprises means for adding
favored and blocked stock symbols.

18) The system of claim 17 wherein said means for listing
orders comprises fields, said fields being automatically
30 populated according to adjustment of said means for
indicating the preferences which govern the automatic step
out.

19) The system of claim 15 wherein said means for listing an automatic step-in comprise:

means for indicating the research (or other) broker
5 for which share quantities will be stepped in; and
means for identifying whether the broker is stepped in through anonymous or traditional methods.

20) The system of claim 19 wherein said means for
10 indicating the preferences which govern the automatic step-in comprise a plurality of control variables, said control variables capable of controlling each of the adherence to client directions, paying firms that are furthest behind; paying firms that provide soft-dollar services, and
15 spreading the payments over a large amount of brokers.

21) The system of claim 20 wherein said means for listing an automatic step-in comprising fields, said fields being automatically populated according to adjustment of said
20 means for indicating the preferences which govern the automatic step in.

22) The system of claim 1 wherein said means for assessing the step-outs and step-ins against a predetermined budget
25 comprise:

means for listing actual budget values; and
means for indicating the budgeted commission amount for a predetermined period and the dispersion of the commission for a predetermined period.

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23) The system of claim 22, wherein said means for listing actual budget values comprises:

means for listing the rank of an executing broker;
means for listing the identity of the executing
broker;

means for listing the target percentage of the entire
5 commissions which the broker is to be paid over a
predetermined period;

means for listing the target dollar amount which the
broker is to be paid over the time period; and

means for listing the updated amount of commission
10 paid to the broker during the predefined time period.

24) The system of claim 22 wherein said means for
indicating the budgeted commission amount and the
dispersion of the commission for a predetermined period
15 comprises:

means for depicting the total budgeted commission; and

means for depicting how the amount of commission is
distributed among executing brokers, research brokers, soft
dollars, and discretionary distributions.

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25) A method for preventing securities brokers from
receiving information irrelevant to a commission payment
from a securities transaction, the method comprising:

tracking payments to research brokers;

25 stepping-out commission payments for the research brokers
without interacting with executing brokers; and
paying the research brokers.